



California Political Attorneys Association

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July 19, 2022

VIA EMAIL

Chair Miadich and Commissioners Baker, Wilson, and Wood
California Fair Political Practices Commission
1102 Q St #3000
Sacramento, CA 95811

Re: Comment Letter on Proposed Regulation 18421.2 (Cryptocurrency)

Dear Chair Miadich and Commissioners Baker, Wilson and Wood,

The California Political Attorneys Association (CPAA) writes to offer comments on the proposed cryptocurrency regulation that will be considered for adoption by the Commission at its July 21, 2022 meeting. CPAA appreciates the Commission's careful evaluation of this issue and supports the adoption of Regulation 18421.2. We are appreciative of the Commission's willingness to revisit this issue to permit campaigns to accept contributions from donors wishing to contribute in this new manner. We believe that the Commission has conducted a thorough review of the issue and placed appropriate safeguards in place to avoid such concerns as money laundering and acceptance of contributions from prohibited sources.

CPAA recognizes the extensive and thorough review the Commission has conducted regarding the potential impacts of allowing committees to accept cryptocurrency contributions. Earlier this year, the Commission began drafting an in-depth report regarding the potential impacts of adopting this regulation, which was presented at the Commission's May meeting.

As highlighted by the report presented at the Commission's May meeting, other states have successfully permitted acceptance of cryptocurrency contributions. Like California, many of these states had concerns over transparency and the potential for money laundering. Accordingly, these states drafted well-thought-out regulations to successfully welcome a new generation of contributors. CPAA believes that the Commission has thoroughly evaluated these existing regulatory schemes in drafting the proposed regulation, which includes requirements that protect the integrity of the campaign finance disclosure provisions of the Political Reform Act.

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Because of the existing prohibition on acceptance of cryptocurrency contributions, most of our members have not yet had an opportunity to deal with cryptocurrency contributions directly. Given this, we respectfully request that the Commission remain open to revisiting this regulation later once campaigns have had an opportunity to accept cryptocurrency and apply the rules proposed by the regulation in real time.

We appreciate the Commission's work on this issue and consideration of our comments.

Respectfully submitted,



Emily Andrews

CPAA Regulatory Committee Chair,
on behalf of the CPAA Board